



1Q 2016 results

Partner in a changing world

We focus on **strategic markets** for the growth and modernization of every country.

Solutions partner for your world

Tesmec designs, manufactures and sells products, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material, such as: overhead and underground networks, traditional and high speed railway lines, energy cables and pipelines. In addition to traditional businesses, Tesmec is increasing its market presence offering solutions for Power Grid's efficiency & management.



ENERGY



RAILWAY



UNDERGROUND



Convergence between power grids and telecom networks

Growing interest in **renewable** energy and sustainability aspects

Increase in **efficiency** spending for a rising global energy demand



Integrated technological platforms for TELECOM and ENERGY



Automatic fiber optic and energy cable laying system both FTTH and long distance



Smart applications for greater energy management and savings

Increasing demand of **integrated systems** rather than a single equipment

Particular attention to specialist **services** to face customers' requests

Complete range of solutions for **construction, maintenance** and **management** of infrastructures



FROM supplier of equipment TO solution provider



Smart, green and cost savings working system



Modernization of power grids infrastructures

**INTEGRATED WORKING
SOLUTIONS BOTH FOR FTTH AND
LONG DISTANCE APPLICATIONS**

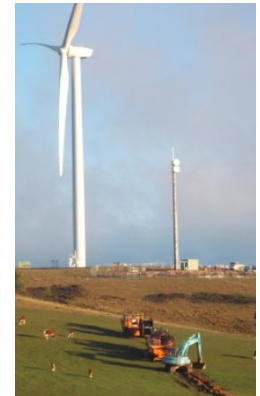
**Complete
working systems**



**TIME AND COST SAVINGS, GREEN APPROACH,
REDUCED IMPACT ON SITE AND SAFETY FIRST**



**COLLABORATIONS AND PROJECTS WITH MAJOR
INTERNATIONAL GROUPS AND KEY ACCOUNT CUSTOMERS**



From telecommunications to and power infrastructures we provide integrated systems and innovative installation technologies for any environment. No matter the challenge, we have knowledge and experience to get your job done safely and efficiently.

bauma 2016

April 11–17, Munich

Bauma is the largest meeting place to find international market leaders and the biggest hub for the construction machinery industry into all markets.

Tesmec had the great pleasure to showcase its latest technologies and advanced solutions for energy and telecommunication world.





Medium and low voltage



PROTECTIONS AND ELECTRONICS FOR DISTRIBUTION

High voltage

ELECTRONIC DEVICES FOR TELECOMMUNICATION, TELEPROTECTION AND REMOTE CONTROL



Teleinformazioni e Automazione



Smart Technologies for transport of energy

Medium and low voltage



ELECTRONIC INTEGRATED SENSORS, DEVICES FOR FAULT DETECTION AND MEASUREMENT



These acquisitions represent a significant step in the growth process in the energy world and allow the Group to complete its portfolio of solutions for different voltage classes (high, medium and low) and applications, in order to face the new technological challenges related to renewable energy sources and distributed generation.

Growing pressure on **safety** issue (e.g. signaling and train control, vehicles able to perform without line interruption)

Focus on **green** and environmental aspects

Efficiency first (e.g. vehicles able to perform without line interruption)



Advanced railcars in compliance with the highest technical standards



Multipurpose units for catenary installation and maintenance especially designed for high speed railway lines

1Q2016 Economic Results

GROUP	1Q2016	1Q2015	Delta %
Revenues	40,5	34,4	17,5%
EBITDA	5,4	4,4	21,8%
% on Revenues	13%	13%	
EBIT	2,5	2,4	4,2%
% on Revenues	6%	7%	
DIE	-1,4	2,8	-150%
Differences in Exchange			
NET INCOME	-0,1	2,8	-104%
% on Revenues	0%	8%	

GROUP	1Q2016	2015	Delta %
PFN (IAS17)	107,1	89,9	19,1%
PFN (without IAS17)	89,6	72,1	24,3%



ENERGY	1Q2016	1Q2015	Delta %
Revenues	10,4	19,5	-46,6%
EBITDA	2,0	3,5	-42,9%
% on Revenues	19,0%	17,8%	



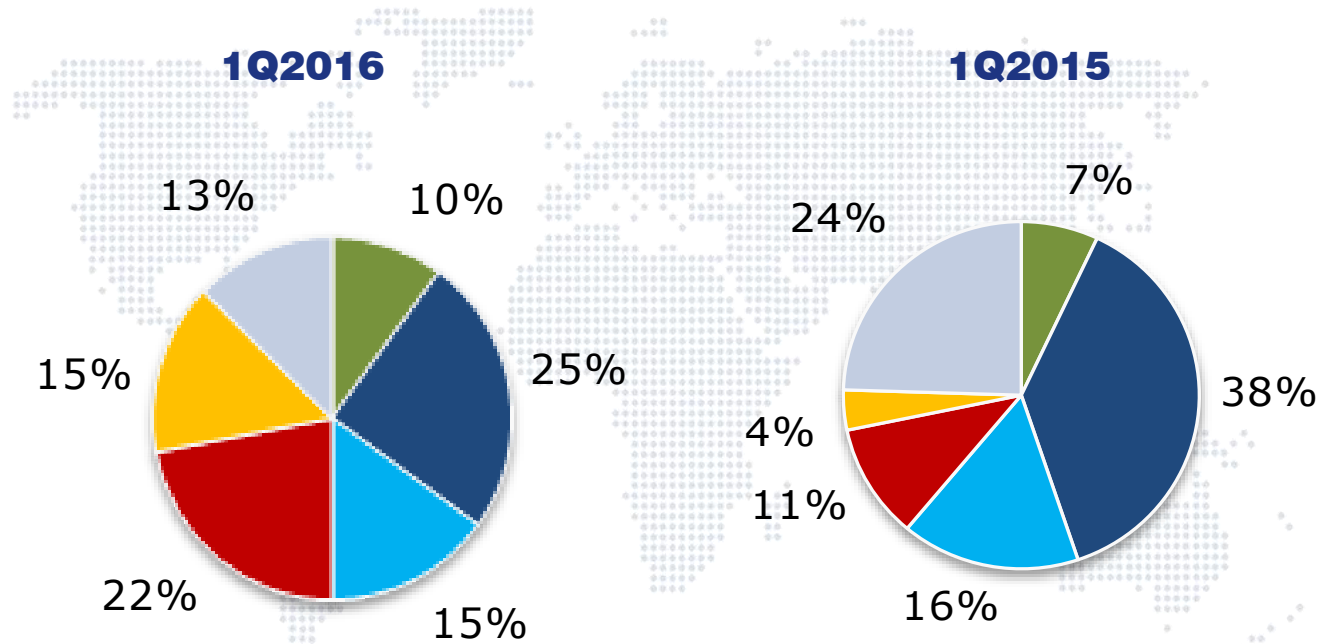
TRENCHERS	1Q2016	1Q2015	Delta %
Revenues	29,2	14,3	103,8%
EBITDA	3,7	1,2	208,3%
% on Revenues	12,8%	8,2%	



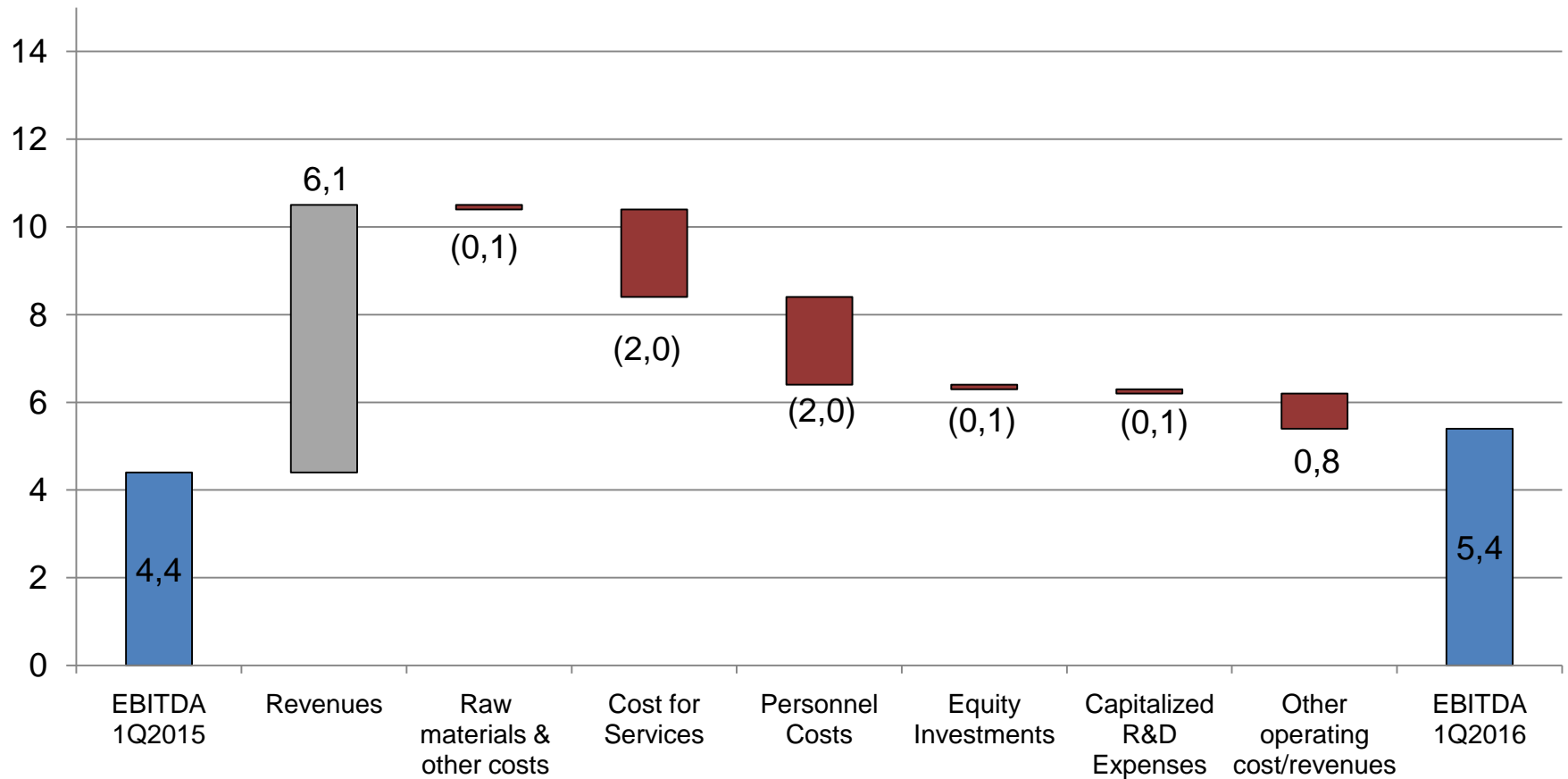
RAILWAY	1Q2016	1Q2015	Delta %
Revenues	0,8	0,6	37,6%
EBITDA	-0,3	-0,2	20,5%
% on Revenues	41,5%	-41,5%	

**INTERNATIONAL SCALE
AND EXPOSURE TO
GROWING ECONOMIES**

- Italy
- Europe
- Middle East
- BRICs and Oceania
- Africa
- North-Central America



EBITDA 1Q2016



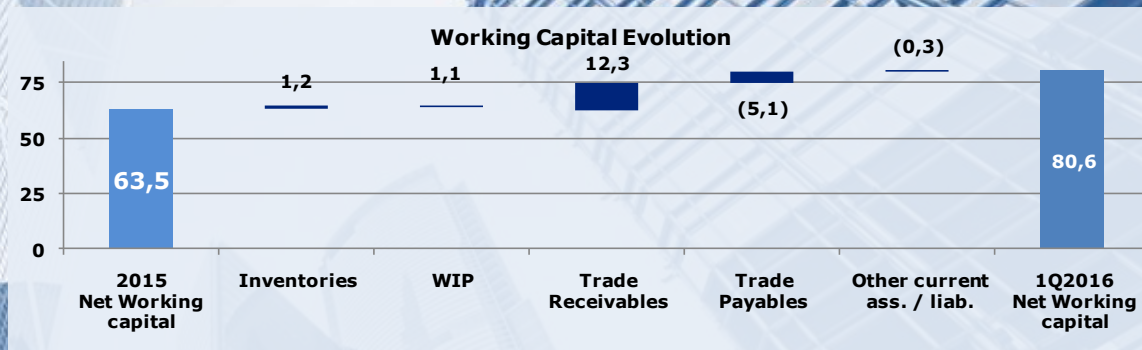
1Q2015

EBITDA increases more than proportionally
with respect to Revenues

1Q2016

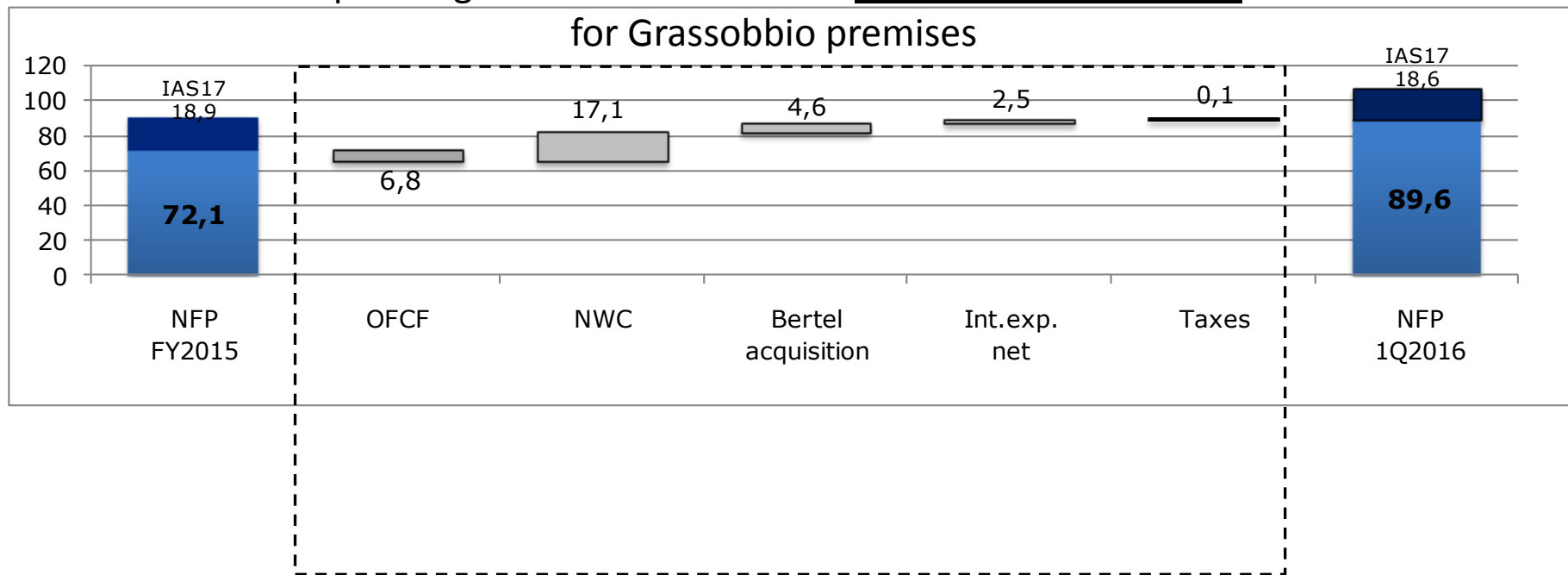
Financial Information (Euro mln)	1Q2016	2015
Net Working Capital	80,6	63,5
Non Current assets	81,8	83,9
Other Long Term assets/liabilities	(1,2)	(1,7)
Net Invested Capital	161,2	145,7
Net Financial Indebtness	107,1	89,9
Equity	54,1	55,8
Total Sources of Financing	161,2	145,7

Working Capital Evolution



Euro Mln	1Q2016	2015	Days 1Q2016	Days 2015
Trade Receivables	63,2	50,9	141	111
Inventories	60,1	58,9	134	129
Work in progress contracts	2,7	3,8	6	8
Trade Payables	(34,0)	(39,0)	-76	-86
Other Current Assets/(Liabilities)	(11,4)	(11,1)	-26	-24
Net Working Capital	80,6	63,5		

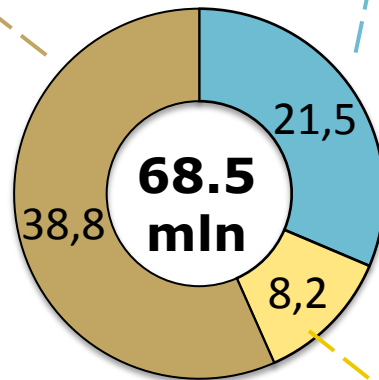
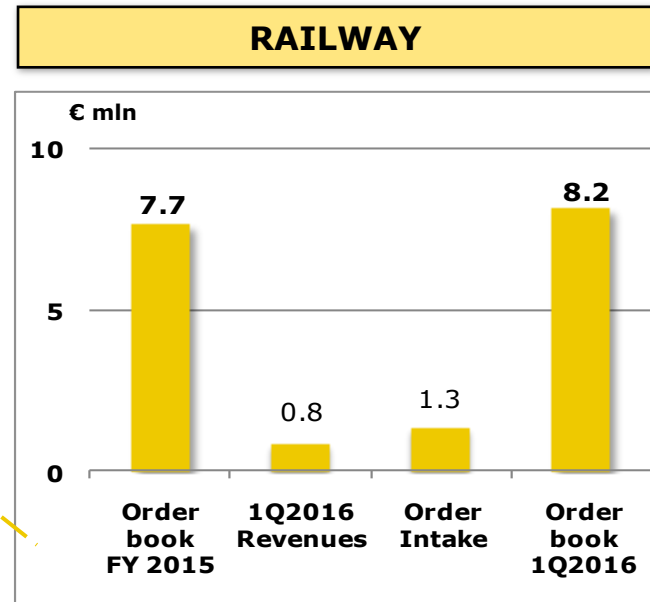
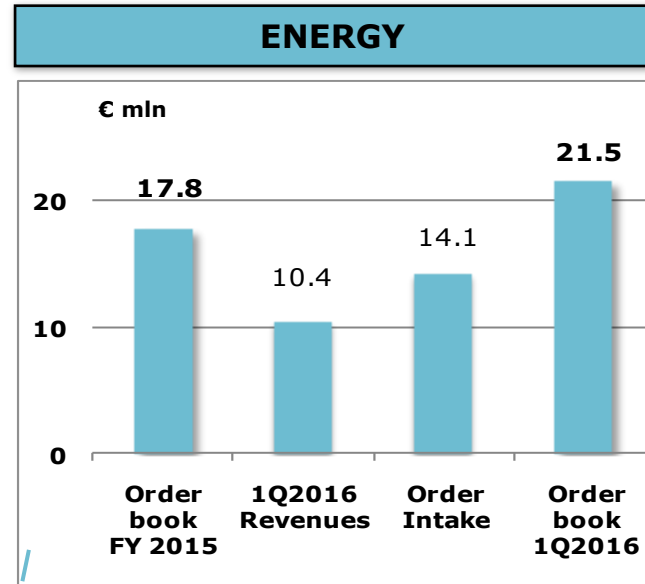
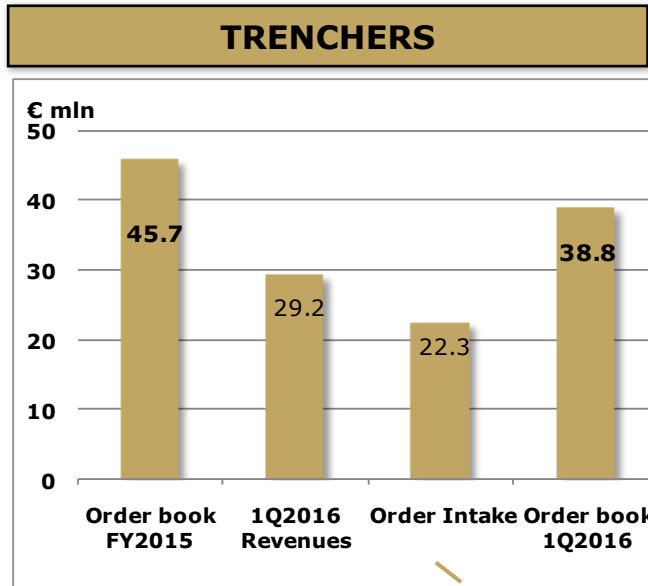
Operating Net Financial Position without figurative debt
for Grassobbio premises



2015

NFP increase has been mainly influenced by the seasonality and Bertel acquisition

1Q2016





OPPORTUNITIES

- INCREASING DEMAND OF MODERNIZATION OF POWER GRIDS WORLDWIDE
- PROJECTS OF GRIDS INTERCONNECTION AND INTEGRATION OF RENEWABLE ENERGIES IN THE NETWORKS
- GROWING OPPORTUNITIES IN THE TELECOM AND FIBER OPTIC MARKET BOTH FTTH AND LONG DISTANCE
- GROWING PRESSURE ON ENVIRONMENTAL AND SAFETY ISSUES IN THE MAIN BUSINESSES OF THE GROUP
- UNDERGROUND CABLING IS BECOMING INCREASINGLY ATTRACTIVE, MAINLY FOR ENVIRONMENTAL AND AESTHETIC REASONS
- NEW GREEN AND SMART PROJECTS WORLDWIDE

THREATS

- COMPLEX ECONOMIC SITUATION FOR SOME OF THE MAIN WORLD ECONOMIES
- OIL, GAS AND COMMODITY MARKET TREND

Summary 1Q2016 Profit & Loss statement

Profit & Loss Account (€ mln)	1Q2016	1Q2015	Delta vs 2015	Delta %
Net Revenues	40,5	34,4	6,1	17,5%
Raw materials costs (-)	(17,8)	(17,7)	(0,1)	1%
Cost for services (-)	(7,7)	(5,7)	(2,0)	35%
Personnel Costs (-)	(9,4)	(7,4)	(2,0)	27%
Other operating revenues/costs (+/-)	(1,4)	(0,6)	(0,8)	133%
Portion of gain/(losses) from equity investments evaluated using the equity method	0,1	0,2	(0,1)	-50%
Capitalized R&D expenses	1,1	1,2	(0,1)	-8%
Total operating costs	(35,1)	(30,0)	(5,1)	17%
<i>% on Net Revenues</i>	<i>-87%</i>	<i>-87%</i>		
EBITDA	5,4	4,4	1,0	21,8%
<i>% on Net Revenues</i>	<i>13%</i>	<i>13%</i>		
Depreciation, amortization (-)	(2,9)	(2,0)	(0,9)	45%
EBIT	2,5	2,4	0,1	4,2%
<i>% on Net Revenues</i>	<i>6%</i>	<i>7%</i>		
Net Financial Income/Expenses (+/-)	(2,4)	1,7	(4,1)	-241%
Taxes (-)	(0,03)	(1,3)	1,3	-98%
Minorities	(0,06)	-	-	-
Net Income (Loss)	(0,05)	2,8	(2,9)	-104%
<i>% on Net Revenues</i>	<i>0%</i>	<i>8%</i>		

Summary 1Q2016 Balance Sheet

Balance Sheet (€ mln)	1Q2016	2015
Inventory	62,8	62,7
Accounts receivable	63,2	50,9
Accounts payable (-)	(34,0)	(39,0)
Op. working capital	92,0	74,6
Other current assets (liabilities)	(11,4)	(11,1)
Net working capital	80,6	63,5
Tangible assets	60,5	65,3
Intangible assets	17,6	13,8
Financial assets	3,7	4,8
Fixed assets	81,8	83,9
Net long term liabilities	(1,2)	(1,7)
Net invested capital	161,2	145,7
Cash & near cash items (-)	(18,5)	(21,2)
Short term financial assets (-)	(7,3)	(11,8)
Short term borrowing	60,2	45,2
Medium-long term borrowing	72,7	77,7
Net financial position	107,1	89,9
Equity	54,1	55,8
Funds	161,2	145,7

Disclaimer

The Manager responsible for preparing the company's financial reports, Andrea Bramani, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially.

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In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.